

NEW CASH AID RULES EFFECTIVE JANUARY 1, 1998

Rules have changed relating to income eligibility and how your income is counted.

CASH-AID RULES OF ELIGIBILITY

Applicants will not be eligible for cash aid if their family's gross income, less \$90 from earned income per employed person, is more than the Minimum Basic Standard of Adequate Care (MBSAC) for the family. The family includes members of the assistance unit (AU) and certain Non-AU family members living in the same home. Recipients will not be eligible for cash aid if their family's net income is more than the Maximum Aid Payment (MAP) for the AU.

Non-AU family members are relatives who are excluded from the AU but live in the same home, such as:

- ineligible alien parents and ineligible alien children
- stepparents
- step-siblings of the aided child(ren)
- parents excluded by law from getting cash aid, such as a father of the unborn
- unmarried parents who have a child in common with the aided parent and the common child
- senior parents

INCOME FROM NON-AU FAMILY MEMBERS

The way of figuring the amount of income considered as available to your AU from Non-AU family members will change the way your cash aid is figured. The new rules use the gross income of all family members living in the home, including AU and Non-AU family members, to figure if you are eligible and your cash aid amount. These rules do not apply to any family member receiving SSI/SSP.

Reporting responsibilities will change. You must report and provide proof of all Non-AU family members' income even if you did not in the past.

TREATMENT OF SELF-EMPLOYMENT

Self-employed **recipients** will have a choice of figuring their business expenses based on a standard deduction of 40 percent of gross income or using actual business expenses. Once a self-employed **recipient** chooses a method of figuring his/her self-employed net income, he/she can only change that way of figuring expenses at redetermination or every six months whichever happens sooner.

DISREGARDS

Net nonexempt income: The disregards used to figure your net nonexempt income have changed. Your family, including AU and Non-AU members, will get a total disregard of \$225. This disregard is first subtracted from certain disability-based unearned income. Any remainder is then subtracted from the earned income of AU and Non-AU family members. If there is a remainder of earned income, 50 percent of the earned income will be disregarded. The remainder is your **net countable income**.

Disability-based income is limited to the following:

- State Disability Insurance (SDI)
- Private disability insurance benefits
- Temporary Workers' Compensation (TWC)
- Temporary Disability Indemnity (TDI)
- Social Security Disability Insurance (SSDI)

Recipients will be paid for their child care costs for November and December 1997 through the Supplemental Child Care (SCC) Program. When figuring cash aid for January and February 1998, child care costs in November and December 1997 will not be allowed as a disregard. The child care disregard will be replaced by a direct payment system. You will get another notice telling you about the new payment system for child care costs.

These changes mean the following disregards will no longer be deducted when figuring the AU's net non-exempt income:

- the \$30 and 1/3 earned income and \$90 standard work expense disregards
- court ordered child support and spousal support paid by AU members to persons living outside your home
- support paid to others not living in the home who are claimed as federal tax dependents by Non-AU family members
- dependent care and child care costs

CHANGE IN EXEMPTIONS

The families that are eligible for the higher MAP amount will change. As of January 1, 1998, the only AUs that will be eligible to receive the higher MAP are families where each of the adult relative caretakers in the AU:

- Gets State Disability Insurance or
- Gets In-Home Support Services or
- Gets Supplemental Security Income (SSI)/State Supplementary Payment (SSP) or
- Gets Temporary Workers' Compensation or
- Gets Temporary Disability Indemnity or
- Is a non-parent caretaker relative and who is not included in the AU

HOW YOUR CASH AID WILL BE FIGURED

Starting January 1, 1998, your cash aid will be figured differently. Your net income will have a new earned income disregard.

- **Recipients:** Your income from the month of November 1997 will be used to compute your January 1998 cash aid.
- **Applicants:** Your January 1998 cash aid is based on your January 1998 income.

Your cash aid will be figured by subtracting your family's net countable income from the MAP for your family. The amount paid each month cannot be more than the MAP plus any allowable special needs for your AU.

The MAP levels for Region 1 and Region 2 for AUs will continue.

EXAMPLE 1:

Mother and father with 2 children receive cash assistance. Mother works part-time earning \$800 per month. Father receives \$300 in Social Security Disability Insurance benefits. Family is non-exempt and living in Region 2.

\$300	Disability-based Unearned Income
<u>-225</u>	Income Disregard
\$ 75	Nonexempt Disability-based Income

\$800	Earned Income
<u>-400</u>	50% Earned Income Disregard
\$400	Net Nonexempt Earned Income
<u>+ 75</u>	Nonexempt Disability-based Income
\$475	Total Net Countable Income

\$641	Nonexempt MAP for 4 (Region 2)
<u>- 475</u>	Total Countable Income
\$176	Cash Aid Amount

EXAMPLE 2:

Recipient with 2 children works part-time earning \$925 per month. Family is non-exempt and living in Region 2.

\$925	Earned Income
<u>-225</u>	Income Disregard
\$700	Nonexempt Earned Income
<u>-350</u>	50% Earned Income Disregard
\$350	Net Countable Earned Income

\$538	Nonexempt MAP for 3 (Region 2)
<u>-350</u>	Net Countable Income
\$188	Cash Aid Amount